

Message Text

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PAGE 01 MANAGU 02229 122306Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 CU-02 AID-05 INT-05 /042 W

----- 091749

R 122215Z MAY 76

FM AMEMBASSY MANAGUA

TO SECSTATE WASHDC 0002

INFO AMEMBASSY GUATEMALA

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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EO 11652: N/A

TAGS: ELAB NU

SUBJECT: COLLECTIVE BARGAINING AGREEMENT AT EL SETENTRION
MINING COMPANY

REF: (A) MANAGUA 1879, (B) MANAGUA 2181

SUMMARY: REPRESENTATIVES OF THE WORKERS AND MANAGEMENT OF EL SETENTRION MINING CO., SIGNED A COLLECTIVE BARGAINING AGREEMENT--THE FIRST ONE IN THE MINING SECTOR IN THE HISTORY OF NICARAGUA--ON MAY 8 AFTER THE COMPANY, UNDER HEAVY PRESSURE FROM MILITANT WORKERS AND THE LABOR MINISTRY, MADE AN OFFER ACCEPTABLE TO THE WORKERS' REPRESENTATIVES. AIFLD AND THE AIFLD-SUPPORTED CONFEDERATION OF LABOR UNITY (CUS) PLAYED AN IMPORTANT ROLE IN THE NEGOTIATIONS. END SUMMARY

1. AFTER A MONTH OF HARD BARGAINING FOLLOWING A TWO-DAY WILDCAT STRIKE FROM APRIL 2-4, REPRESENTATIVES OF THE WORKERS AND MANAGEMENT OF THE CANADIAN AND US-OWNED EL SETENTRION MINING CO. IN THE DEPARTMENT OF LEON REACHED AGREEMENT ON MAY 8. THIS IS THE FIRST COLLECTIVE BARGAINING AGREEMENT IN THE HISTORY OF NICARAGUA BETWEEN
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PAGE 02 MANAGU 02229 122306Z

A MINING COMPANY AND ITS EMPLOYEES.

2. THE COMPANY AGREED TO RECOGNIZE THE UNION, THE EL LIMON MINE WORKERS' UNION, TO PROVIDE IT WITH A UNION HALL AND TO REFRAIN FROM TAKING REPRISALS AGAINST UNION MILITANTS. IT ALSO AGREED NOT TO DISMISS WORKERS WITHOUT CAUSE, TO REDUCE THE WORK DAY OF UNDERGROUND MINERS TO SIX HOURS AT THE SANTA PANCHA MINE AND TO SEVEN HOURS AT OTHER MINES (WITH WAGES EQUIVALENT TO EIGHT HOURS) AND TO INCREASE WAGES OF UNDERGROUND MINERS 20 PCT PLUS FREE MEALS AND OF VARIOUS KINDS OF SURFACE WORKERS FROM 20 PCT TO 35 PCT WITHOUT MEALS. THE OWRKERS HAD BEEN DEMANDING JGGE INCREASES OF UP TO 100 PCT. MANAGEMENT ALSO AGREED TO IMPROVE SAFETY CONDITIONS AND SOCIAL SERVICES AND TO PROVIDE SEVERANCE PAY AND OTHER BENEFITS.

3. ALTHOUGH LABOR MINISTE JULIO CARDOZE TOOK AN ACTIVE PART IN THE SETTLEMENT FROM THE BEGINNING, HE HAD NO CONFIDENCE THAT HE COULD CONTROL THE MINERS WITH HIS OWN RESOURCES AND HE SOUGHT THE HELP OF AIFLD AND THE AIFLD-SUPPORTED CONFEDERATION OF LABOR UNITY (CUS). HIS FEUD WITH OFICIALISTA LABOR LEADERS PRECLUDED HIS USING THE GOVERNMENT-SPONSORED CGT-O (REFTEL B). WITH CARDOZE'S APPROVAL, CUS HELD SEMINARS AT THE MINES, TRAINED THE MINERS' REPRESENTATIVES IN COLLECTIVE BARGAINING TECHNIQUES, AND GAVE THEM ADVICE AT THE NEGOTIATING TABLE (CARDOZE, HOWEVER, DID NOT GIVE CUS A COMPLETELY FREE HAND. HE VETOED THE PARTICIPATION OF CUS ORGANIZER MARIANO MENDOZA, WHOM HE DESCRIBED TO THE POL/LAB OFFICER AS A "MAD FIREBRAND", BUT APPROVED THAT OF CUS SECRETARY GENERAL ADRIAN IRIAS, WHOM CARDOZE VIEWS AS A "REASONABLE MAN")

4. CUS LEADERS ARE PLEASED WITH THE OUTCOME OF THE NEGOTIATIONS AND THEIR ROLE IN THEM. THEY EXPECT THAT THE MINERS' UNION, WHICH IS NOW BEING REORGANIZED, WILL JOIN WITH ANOTHER UNION IN THE DEPARTMENT TO FORM A DEPARTMENTAL FEDERATION, WHICH WILL THEN JOIN CUS.

5. COMMENT: THE WORKERS' SUCCESS IN WRESTING SIGNIFICANT CONCESSIONS FROM MANAGEMENT WAS DUE LARGELY TO THEIR OWN MILITANCY AND TO THE CREDIBILITY OF THEIR STRIKE THREATS, BUT LIMITED OFFICIAL USE

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PAGE 03 MANAGU 02229 122306Z

ALSO TO THE ATTITUDE OF LABOR MINISTER CARDOZE. CARDOZE TOOK A DIRECT PART IN THE NEGOTIATIONS AND APPARENTLY HELPED TO PERSUADE THE COMPANY TO MAKE AN OFFER ACCEPTABLE TO THE MINERS. AS NOTED IN REFTEL A, CARDOZE'S ATTITUDE WAS DUE IN PART TO HIS FEAR THAT IF AN AGREEMENT WERE NOT REACHED, THE STRIKE MIGHT BE RENEWED AND PERHAPS EVEN EXTENDED TO THE MINES ON THE ATLANTIC COAST, WHICH HAVE EXPERIENCED A GREAT DEAL OF LABOR UNREST IN THE LAST MONTHS. CARDOZE WAS UNDOUBTEDLY ALSO MOTIVATED BY CONCERN

ABOUT HIS OWN POSITION. GIVEN HIS INSECURE TENURE IN THE LABOR
MINISTRY, A MAJOR STRIKE IN A SENSITIVE SECTOR LIKE MINING WOULD
HAVE BEEN DAMAGING, PERHAPS FATAL, TO HIS HOPES OF REMAINING IN
THE CABINET.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISPUTE SETTLEMENT, MINING INDUSTRY, LABOR STRIKES, LABOR UNIONS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976MANAGU02229
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760184-1026
From: MANAGUA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760563/aaaaccj.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MANAGUA 1879, 76 MANAGUA 2181
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 15 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JUL 2004 by izenbei0>; APPROVED <27 OCT 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COLLECTIVE BARGAINING AGREEMENT AT EL SETENTRION MINING COMPANY
TAGS: ELAB, EMIN, NU, EL SETENTRION MINING CO, (CARDOZE, JULIO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006